



# OFFICE OF THE CLERK/TREASURER

## City of Burlington

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### BOARD OF FINANCE

JUNE 27, 2011

### MINUTES

PRESENT: Mayor Kiss, City Council President Keogh, Councilor Paul (phone), Councilor Wright, Councilor Mulvaney-Stanak, CAO Leopold.

ALSO PRESENT: ACAOs Goodwin and Schrader; Councilor Bushor; Bruce Bourgeois, Fire; John Irving, Burlington Electric; Tammy Gagne, Airport.

#### 1. Agenda

City Council President Keogh made a motion to amend the agenda by adding item 2a: Burlington Telecom Reorganization. Councilor Paul made a motion to remove item 4: ATTORNEY: Authorization for Cost of Living and Payroll Changes for Non-Union Employees from the agenda. Councilor Wright stated he would like to discuss item 4 even if it were not voted on. City Council President Keogh and Councilor Wright made a motion to adopt the agenda as amended.

#### 2. POLICE: License Plate Reader Grant

CAO Leopold stated this was a federal grant that would allow the Police Department to electronically read license plates. Mayor Kiss inquired about the appropriateness of randomly reading license plate numbers. CAO Leopold stated the reader would be mounted on police vehicles so the officer could focus on things other than reading the license plate. Councilor Wright noted it would eliminate car chases. Mayor Kiss inquired if it would only be used when stopping a vehicle. CAO Leopold stated it could be used while following a vehicle as well. Mayor Kiss raised concerns that this would result in targeting cars in certain neighborhoods. City Council President Keogh stated this would aid the officer. ACAO Schrader stated the machine would be able to recognize license plates in a parking lot and be used to find stolen vehicles and identify open warrants. Councilor Mulvaney-Stanak inquired if there would be a policy relating to deployment. Mayor Kiss stated the Police Commission would determine the policy and the Board could request a presentation before it were implemented.

Councilors Mulvaney-Stanak and Paul made a motion to accept the Grant and request the policy be brought before the Board of Finance prior to implementation. The motion passed with Mayor Kiss voting against.

#### 2A. Burlington Telecom Reorganization

CAO Leopold explained this reorganization would create a position of Network Operation Supervisor, eliminate a position of Network Operation Technician, and create a position of Commercial Sales.

City Council President and Councilor Paul made a motion to approve the resolution and recommend approval by the City Council.

The motion passed unanimously.

### **3. ATTORNEY: Release of Rights to BTC Parking Garage Land**

Mayor Kiss explained that Burlington Town Center had fulfilled all the requirements set forth in the lease agreement allowing them to purchase the land and they were now choosing to do so.

In response to an inquiry, CAO Leopold stated this would generate \$10,000 and the funds would go to the General Fund.

City Council President Keogh and Councilor Wright made a motion to approve the resolution and recommend approval by the City Council. The motion passed unanimously.

### **4. ATTORNEY: Authorization for Cost of Living and Payroll Changes for Non-Union Employees**

CAO Leopold stated there were differences in the Cost of Living Adjustment (COLA) bases in different union contracts. This authorization would allow the adoption of the COLA rate set in the Police contract and, tentatively, the Fire contract at 2.7%. In order to pay the differential between the 2.1% under the AFCSME contract and the 2.7% noted previously, payroll would be processed on a bi-weekly basis, resulting in less expense.

Councilor Wright asked how much money would be saved. CAO Leopold stated it cost \$300,000 to run payroll and this will reduce those costs by one-third to one-half, enough to pay for the difference in the COLA. It could also be used to bargain with AFCSME.

Councilor Wright inquired about an e-mail from Ken Nolan. CAO Leopold stated BED had requested to reclassify Ken Nolan's salary because he was offered another position elsewhere. The Board turned the request down but planned to examine the classification further. The BED CPI cycle for IBEW is a June to June cycle. IBEW had set a 3.6% COLA and management would like this instead of 2.7%. Councilor Mulvaney-Stanak asked about the non-union BED COLA. CAO Leopold stated the practice had been to try to keep management salaries consistent.

CAO Leopold explained that an implementation plan had been developed in which employees would not suffer from missing a week of pay, as many employees live paycheck to paycheck. The plan would allow a special advance paycheck that would total the weekly net pay. From that point forward, each bi-weekly check would be reduced to recover the amount that had been advanced. By December 31, the payments would be reconciled so as not to affect employees' income tax.

This issue needed to be decided on by July so the new COLA could be implemented by the beginning of the fiscal year. If it were issued retroactively, it would create tax problems for individual employees and would be challenging for payroll to administer. The sooner it began, the easier it would be to reconcile pay by December 31.

Mayor Kiss inquired what groups would be on the weekly versus two week schedule. CAO

Leopold stated there had been discussions with AFCSME about switching to a bi-weekly pay system. IBEW, Fire and the Police Union would remain on a weekly schedule. It was noted that BED management would receive a 2.7% COLA while IBEW would receive a 3.6% COLA.

Councilor Paul noted there was only one employee issuing payroll at BED and inquired how this would save them money. The CAO stated the cost savings would be realized throughout the rest of the City. Councilor Paul inquired if IBEW would switch to a bi-weekly system. CAO Leopold stated the process had not been started with IBEW because there was no incentive for them to make the change.

Councilor Wright inquired what failing to pass this would mean. CAO Leopold stated there would be no authorization for any COLA for management and it would become more difficult to implement later.

Bruce Bourgeois from the Burlington Fire Department stated this created a compression issue between management and union. He stated it would be better for employees to have their money in their possession sooner rather than later. He also stated this was one factor that made it harder to hire qualified people. CAO Leopold stated the normal practice would be to give management a 2.1% COLA and that adopting this resolution would help avoid further compression. Further, the CAO explained the savings would result from running payroll every two weeks. A full time person can only run payroll for Police and Fire on a weekly basis and this would allow the payroll clerk the time to do other things. Mr. Bourgeois stated it would not save money because the payroll clerk would still have to issue payroll every week for union employees. CAO Leopold stated it would be better for management to get the higher COLA and payroll savings would be greater in other departments. Councilor Mulvaney-Stanak noted that bi-weekly payroll would not affect employees in the Fire Union.

John Irving from the Burlington Electric Department stated union COLAs were traditionally higher and this caused a compression issue. He suggested putting a hold on this until employees understood it better. CAO Leopold stated this was more relevant to the rest of the City and BED management could be exempted. Councilor Paul stated it might not be a good idea to treat departments differently and it was problematic to have people working side by side with different COLAs. She asked why a memo had been sent out only on Thursday with the discussion scheduled for Monday and, further, if this would create a payroll headache. She believed this could have been discussed and resolved three months ago, not at the last minute. Mayor Kiss stated the difference in COLAs allowed a new opportunity to bargain with AFCSME and the window of time was limited. CAO Leopold stated this issue had been raised five weeks ago and this was the most straightforward approach without affecting the budget.

In response to an inquiry, ACAO Schrader stated if this proposal were implemented retroactively, it would be very difficult for payroll. The repayments of the advance check would only be able to be spread over 11 weeks. If that were reduced, the reduction from each check would be greater.

Councilor Mulvaney-Stanak stated this was a good opportunity despite the larger issues that needed to be dealt with. CAO Leopold stated the concept had been approved but the Board should recommend approval by the City Council. Mr. Irving stated information was not clear and employees would need to know what to expect. Councilor Paul stated Burlington Electric should be removed and discussed at a later time.

Councilors Wright and Paul made a motion to exclude Burlington Electric.

Mayor Kiss stated Burlington Electric should be incorporated to allow them to move forward and further discussion can take place later. Councilor Mulvaney-Stanak stated there would be less of an impact if BED were included. Councilor Paul stated she wanted to ensure this issue were discussed and would prefer not to include BED. Mayor Kiss spoke against the motion. CAO Leopold stated exempting BED would allow them no COLA at the beginning of the year. They could be included and discussed at a later date. Mr. Irving recommended adopting it with BED and adjusting it later, if necessary.

Councilor Mulvaney-Stanak offered an amendment to the motion to approve COLA for all non-union employees with discussion of Burlington Electric Management being held at the next meeting. Councilors Wright and Paul accepted the amendment as friendly. Mr. Irving stated employees needed to have time to discuss major changes such as this, and he did not like that this was done at the last minute.

The motion passed unanimously.

Councilor Paul left the meeting.

## **5. C/T: Independent Audit Fees – Consolidated Financials and Preparation of Schedules**

CAO Leopold stated Sullivan Powers offered to assist in the next audit cycle because of the timing. They would work with City staff to develop the financial statements and prepare the schedules so as to move the process along during the procurement process for a new auditor. The proposal was favorable. Mayor Kiss stated this would cost \$45,000 and inquired what the normal fee for the audit was. CAO Leopold stated it depended on the year. Base fees typically were \$100,000. There had been more detailed auditing for Burlington Telecom and the Airport. This would reduce the cost of the actual audit because it would begin the process.

City Council President Keogh and Councilor Wright made a motion to approve the audit fees. The motion passed unanimously.

## **6. AIRPORT: License Plate Recognition System**

Mayor Kiss stated this was a \$230,000 purchase that would help keep track of vehicles in the parking garage. Tammy Gagne from the Burlington International Airport stated it was expected to take two years to pay for this investment and that other airports had seen a 2% to 15% payback. City Council President Keogh inquired what the recognition system would accomplish. Ms. Gagne stated that when people lose their tickets they were charged \$60, which is often too low. This system would actually track when the car entered the garage. Another issue was people taking new tickets and then using them to exit the garage. CAO Leopold explained this was being paid for with a bond that has already been approved. Councilor Mulvaney-Stanak inquired about the security of the information. Ms. Gagne stated the information would be secure. In response to an inquiry, CAO Leopold stated the language in the resolution could be changed to reflect the payment source for this project.

Councilors Wright and Mulvaney-Stanak made a motion to approve the resolution and to recommend City Council approval. The motion passed unanimously.

**7. AIRPORT: AIP Grant**

City Council President Keogh and Councilor Mulvaney-Stanak made a motion to accept the grant and authorize the purchase of the properties. The motion passed unanimously.

City Council President Keogh and Councilor Wright made a motion to adjourn. The meeting adjourned at 6:20pm.